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Regulatory Affairs

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Illinois Commerce Commission

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RE: ICC Energy Program Workshop: Comments – Meeting of January 27th, 2022

Energy storage is uniquely positioned to provide multiple services to the grid that enhance grid efficiency, increase grid resilience and accelerate Illinois' transition to an affordable clean economy. Key policies, mechanisms and programs will drive the deployment of energy storage in Illinois. Policies such as storage targets, programs that aim to reduce the peak, and changes to regulatory frameworks for utilities to invest in third party non-wire solutions and be agnostic to CapEx/OpEx issues, have proved successful in other jurisdictions for the proliferation of distributed energy resources (DERS), including behind-the-meter battery energy storage systems.

For 20 years Enel North America has been a renewable energy leader and innovator in the United States and Canada. Our goal is to help companies and consumers find value in sustainability. Through Enel Green Power, Enel X and Energy Management and Commodities, Enel is driving toward a decarbonized future. Currently Enel has successfully developed over 70 behind-the-meter energy storage system projects, the largest non-wire alternative project in New York City[1], and now Lily Solar + Storage[2] in Texas, Enel Green's Power's first utility-scale solar and storage project.

Enel supports the comments submitted by the Clean Grid Alliance that outline a two-pronged approach for the Market Acceleration and Market Sustaining Programs for storage. Enel would recommend that the Connected Solutions program in Massachusetts , as presented by Todd Olinsky-Paul from the Clean Energy Group and Chris Rauscher from Sunrun, be included as an example of a type Market Sustaining Program that Illinois should consider implementing to drive the deployment of storage. These types of programs could be developed and implemented within 2 years based on the information and best practices developed in other jurisdictions.

Enel supports the implementation of these types of programs as we have experience deploying energy storage based on them, as well as through price signals and market opportunities. Currently Enel X has developed/in construction approximately 157,906 kW (365,866 kWh) of behind-the-meter storage throughout North America. These projects have been deployed under:

[1] https://corporate.enelx.com/en/stories/2019/12/storage-system-energy-gateway-center

[2] https://www.enelgreenpower.com/our-projects/under-construction/lily-solar-storage-project

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- Massachusetts – SMART program and ITC[3]
- Northeast US – Connected Solutions[4]
- California – SGIP and ITC for PV + ESS with demand charges for storage[5]
- New York – ConEd Non-Wire Alternative procurements to meet localized constraints[6][7]
- Ontario – Industrial Conservation Incentive (ICI) system peak reduction price signal[8]

Enel recommends following best practices that have been learned through the creation, implementation, and deployment of these distributed storage programs:

1. Allow for utility visibility and operational control
2. Maximize ROI by aligning dispatch requirements with times of greatest ratepayer and reliability benefit (or policy goals)
3. Only compensate for actual performance, while providing revenue certainty for performers

Enel has outlined 4 types of program designs that Illinois should consider for the deployment of storage.

State and Program	Design	Considerations for Illinois
NY VDER	Creates a value stack and compensates resources for ability to perform when a specific cost is incurred (e.g. resources get capacity value if perform during system peak hour that sets ICAP)	Program has been criticized as overly complicated, although new design is simpler; procurement is not competitive and only for resources that inject
New England Utility Daily Dispatch "Pay for Performance" Programs	Dispatches clean BTM resources during summer peak (100-200 hours); simple five-year contracts; compensation determined by performance, with max at $200/kw-yr; CT just created a 10-year program with an upfront incentive	Simple design that provides "long-term" price certainty; procurement is not competitive and only for BTM resources; different from VDER in that not separate stacks for each value
MA Clean Peak	Creates a "Renewable Energy Credit" type program open to clean resources that compensates for performance during peak hours	More of a competitive procurement; Clean Peak Certificates more challenging to administer than two previous designs
Con Ed super-peak distribution rates (Rider Q)	Distribution demand charges vary throughout the day, with off-peak, peak, and super peak for the four highest hours of usage in a distribution network	Appropriate mechanism if Com Ed seeing distribution costs concentrated in just a few hours of the day

[3] https://www.mass.gov/solar-massachusetts-renewable-target-smart

[4] https://www.masssave.com/en/saving/business-rebates/demand-response-and-storage

[5] https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/self-generation-incentive-program

[6] https://www.coned.com/en/business-partners/business-opportunities/non-wires-solutions

[7] https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterSeq=45800 (see 2016-2017)

[8] https://www.ieso.ca/en/Sector-Participants/Settlements/Global-Adjustment-Class-A-Eligibility

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Enel is encouraged by the ideas that have been presented through the Energy Program Workshop and looks forward to the continued discussions on the enablement of energy storage in Illinois. Please follow up with any questions or if further information is required.

Yours truly,

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